

THE TORONTO STOCK EXCHANGE

23/1/69

FILING STATEMENT NO. 1697.
FILED, JUNE 6th, 1969.

AIMCO INDUSTRIES LIMITED

Full corporate name of Company

Continued under The Corporations Act (Ontario) by letters patent of amalgamation dated December 28, 1968.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

A. Purchase of Ralph Milrod Metal Products Limited

The Company has pursuant to an agreement made as of the 26th day of August, 1968 but actually executed on the 11th day of December, 1968 (the "Milrod Agreement") agreed to purchase all of the outstanding shares of Ralph Milrod Metal Products Limited ("Milrod") for a consideration of \$2,500,000 to be satisfied as to \$1,656,250 by payment in cash on closing on or about January 31, 1969 and as to the balance of \$843,750 by the allotment and issue of 75,000 fully paid and non-assessable shares of the Company which shares are being issued at \$11.25 per share being not less than 90% of the price at which the shares of the Company were being traded on August 21, 1968, the day prior to the date upon which the parties reached agreement in principle.

The agreement entered into between the parties was made on an arms-length basis. Milrod manufactures original equipment parts for the automobile manufacturers and presently operates from a 40,000 sq. ft. plant in Toronto with 150 employees. It is a specialized fabricator of stamped and welded assemblies for which it designs and manufactures the dies it requires.

NOTE-Copies of the audited Financial Statements of Ralph Milrod Metal Products Limited as at December 31st, 1968 with comparative figures for December 31st, 1967 are on file with The Toronto Stock Exchange.

B. Increase in Employees' Stock Options

Pursuant to the Milrod Agreement the Company has undertaken to seek the approval of the Exchange to the granting of options under the Company's Employee Stock Option Plan to purchase 3,000 shares of the Company to each of three Milrod employees, none of whom are shareholders of Milrod. Under the said Plan the Company originally authorized the granting of options to purchase 30,000 shares. With the concurrence of the Exchange the number of shares authorized under the Plan was increased to 40,000. If the foregoing options to Milrod employees are authorized the number of options that may be granted under the Plan will be increased to a total of 49,000 shares.

There are presently outstanding options to purchase 31,760 shares pursuant to the Plan which are exercisable as to 21,760 shares at \$5.00 per share and as to 10,000 shares at \$15.75 per share. Options previously granted under the Plan with respect to 4,940 shares have been exercised.

The price at which options may be granted under the said Plan is fixed at not less than 90% of the market value of the Company's shares.

2. Head office address and any other office address.	The head office of the Company is at 5150 Dixie Road, Mississauga, Ontario.														
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>The names, home addresses, positions held with the Company and chief occupations for the past five years of the directors and officers of the Company are set forth below.</p> <table border="0"> <tr> <td>Nathan Goodman, Chairman of the Board and Director</td> <td>61 Old Park Road, Toronto, Ontario.</td> </tr> <tr> <td>Irving Birrell Goodman, President, Treasurer and Director</td> <td>204 Acton Avenue, Downsview, Ontario.</td> </tr> <tr> <td>William Franklin Purves, Director</td> <td>90 Cordova Avenue, Apartment 512, Islington, Ontario.</td> </tr> <tr> <td>Harry Louis Mendelson, Q.C., Director</td> <td>R.R.No.1, Maple, Ontario.</td> </tr> <tr> <td>Winfield Aloysius Green, Director</td> <td>19 Riverview Avenue, Tonawanda, New York, U.S.A.</td> </tr> <tr> <td>Samuel Goodman, Secretary</td> <td>35 Brookview Drive, Toronto, Ontario.</td> </tr> <tr> <td>Kenneth Foley, C.A. Comptroller</td> <td>32 Wallingford Road, Don Mills, Ontario.</td> </tr> </table> <p>Messrs. Nathan Goodman, Irving Birrell Goodman and Samuel Goodman have been directors, officers or employees of the Company for the past five years.</p> <p>From November 1963 to November 1964 Mr. Purves was President and a Director of Weatherhead Company of Canada Limited, from January 1965 to December 1967 Mr. Purves was with Aimco Automotive Industries and since that date he has been with the Company.</p> <p>From November 1962 to September 1965 Mr. Green was employed as Financial Vice-President of Tree Pickle Company Inc. and from September 1965 to date Mr. Green has been employed by Aimco Industries of Buffalo, Inc.</p> <p>Mr. Mendelson during the previous five years has been senior partner of the law firm of Messrs. Mendelson, Beatty and Wood, Toronto.</p> <p>Prior to February 1, 1966 Mr. Foley was Manager, Cost Accounting, Lever Brothers Limited. From that date to January 1967 Mr. Foley was Chief Accountant, Contract Division, T. Eaton Company Limited. From January 1967 to December 1968 Mr. Foley was Internal Audit Manager of Rio Algom Mines Limited.</p>	Nathan Goodman, Chairman of the Board and Director	61 Old Park Road, Toronto, Ontario.	Irving Birrell Goodman, President, Treasurer and Director	204 Acton Avenue, Downsview, Ontario.	William Franklin Purves, Director	90 Cordova Avenue, Apartment 512, Islington, Ontario.	Harry Louis Mendelson, Q.C., Director	R.R.No.1, Maple, Ontario.	Winfield Aloysius Green, Director	19 Riverview Avenue, Tonawanda, New York, U.S.A.	Samuel Goodman, Secretary	35 Brookview Drive, Toronto, Ontario.	Kenneth Foley, C.A. Comptroller	32 Wallingford Road, Don Mills, Ontario.
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1. Share capitalization showing authorized and issued and outstanding capital.	The authorized capital of the Company is divided into 2,000,000 shares without par value of which, at December 31, 1968, 662,774 shares were issued and outstanding as fully paid and non-assessable.														
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	On January 5, 1968 the Company issued \$2,000,000 principal amount of 7-1/2% Convertible Sinking Fund Debentures Series A due 1988, secured by floating charge, of which on December 31, 1968 following certain conversions there were \$1,622,000 outstanding. Other long term debt of the Company and its subsidiaries secured by mortgages and equipment contracts bearing interest at rates ranging from 3-3/4% to 8% and maturing from 1971 to 1984. amounted on December 31, 1968 to approximately \$692,000.														

<p>6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.</p>	<p>Reference is made to Item 1A as to the proposed issue of 75,000 shares and to Item 1B as to employee stock options presently outstanding and proposed to be given.</p> <p>The Series A Debentures referred to in Item 5 are convertible into shares of the Company at \$6.50 per share to December 31, 1972 and thereafter at \$10.00 per share to December 31, 1977.</p>
<p>7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.</p>	<p>Under the Company's employee stock option plan and after giving effect to the granting of the options referred to in item 1B, there will be outstanding options to purchase 40,760 shares of the Company. The options will be held by approximately 35 employees of the Company and its subsidiaries, will be exercisable as to 21,760 shares at \$5.00 per share to December 18, 1973, as to 10,000 shares at \$15.75 per share to October 31, 1973 and as to 9,000 shares at \$16.20 per share to January 31, 1974.</p>
<p>8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.</p>	<p>No payments in cash or securities of the Company will be made to any promoter or finder in connection with the purchase of the outstanding shares of Milrod.</p>
<p>9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.</p>	<p>The Company is a manufacturer and wholesaler of new and used automotive parts for the replacement market and is an accepted secondary supplier of unlined brake shoes for the original equipment market. In terms of sales volume the Company's most important product is unlined brake shoes. Other principal products of the Company's manufacturing division include brake drums, clutch diaphragms and starter drives. The Company also operates an auto parts rebuilding division, an automotive wholesale division and a scrap metal division.</p> <p>With the acquisition of Milrod which manufactures original equipment parts for the automobile manufacturers, important new product lines will be added to the Company's overall operations. Prior to the acquisition of Milrod, the Company's principal activities were centered on the automotive after-market. The acquisition of Milrod is expected to increase the growth potential for the Company's sales and earnings.</p> <p>Over the past year the Company has added a 40,000 square foot addition to its plant on Dixie Road and made expenditures of approximately \$400,000 for additional machinery and equipment.</p> <p>Current development plans include the purchase of a 20,000 square foot plant at St. Catharines to be used for the machining of brake drums, the addition to the Company's product lines of disc brake plates and the expansion of warehousing and manufacturing facilities in Buffalo. Planned expenditures for new machinery and equipment during the current year amount to approximately \$750,000. In addition to the foregoing plans are being considered for the establishment by Milrod of a wheel manufacturing plant.</p>

AIMCO INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET (Unaudited)

JANUARY 31, 1969

ASSETS

Current Assets			
Cash	\$ 737,014		
Marketable Securities	50,000		
Accounts Receivable	2,840,349		
Receivable from a Shareholder	66,430		
Inventories, at lower of cost and net realizable value	4,429,123		
Prepaid expense and deposits	<u>56,170</u>	\$ 8,179,086	
Mortgage Receivable, non-current portion		29,338	
Fixed Assets, at cost			
Land	146,403		
Buildings	1,249,688		
Machinery and Equipment	<u>3,031,148</u>		
Less accumulated depreciation	4,427,239		
	<u>1,594,975</u>	2,832,264	
Goodwill, being excess of cost of shares in subsidiary over book value at acquisition		<u>1,523,635</u>	
		<u>\$ 12,564,323</u>	

LIABILITIES

Current Liabilities			
Bank Advances (secured)	\$ 3,451,635		
Accounts Payable and Accrued Liabilities	2,293,340		
Taxes Payable	577,075		
Loan Payable	50,000		
Principal instalments due within one year on long term debt	<u>83,933</u>	\$ 6,455,983	
Long Term Debt, non-current portion (Note 2)		2,282,655	
Deferred Income Taxes (Note 3)			14,464
Shareholders' Equity			
Capital Stock (Note 4)			
Authorized - 2,000,000 Shares without par value			2,566,674
Issued - 740,681 Shares			<u>1,244,547</u>
Retained Earnings (Note 5)			3,811,221

Goodwill, being excess of cost of shares in subsidiary over book value at acquisition

1,523,635
\$ 12,564,323

Contingent Liability (Note 6)

\$ 12,564,323

Approved on Behalf of the Board

William B. Friedman
Director

Charles B. Friedman
Director

AIMCO INDUSTRIES LIMITED

Notes to Consolidated Financial Statements

January 31, 1969

1. BASIS OF CONSOLIDATION AND CURRENCY CONVERSION

The consolidated financial statements include the accounts of all subsidiary companies, all of which are wholly owned. The principal operating subsidiaries are, Aimco Industries of Buffalo, Inc., Seaway Salvage, Inc., and Ralph Milrod Metal Products Limited, which latter company was acquired as at January 31, 1969.

In the consolidation all inter-company transactions, including inter-company profits in inventories, have been eliminated and income taxes applicable to inter-company profits have been charged to deferred income taxes - (Note 3).

The statements of the United States subsidiaries have been converted into Canadian dollars at an average rate of 7½% - for interim purposes only. This is a departure from year-end procedure where the following basis is used:

Current assets and current liabilities at the rate of exchange on July 31st;

Fixed assets (including depreciation thereon) at the rates prevailing at the dates of issue;

Revenue and expenses, other than depreciation provisions, at the average rates of exchange during the year.

2. LONG TERM DEBT, non-current portion

AIMCO INDUSTRIES LIMITED

Equipment contracts payable (secured)	\$	70,408
7.3/4% mortgage due 1971		89,160
7.3/4% mortgage due 1977		124,064
7% mortgage due 1984		145,477
7½% Convertible Debentures, Series A, due 1988		1,603,000

AIMCO AUTOMOTIVE INDUSTRIES OF BUFFALO, INC.

8% Note (secured by mortgage) due 1982 (U.S. \$ 118,367)	133,160
3.3/4% note (secured by mortgage) due 1982 (U.S. \$ 76,196)	85,136

636 BABCOCK STREET, INC.

6% note (secured by mortgage) due 1976 (U.S. \$ 30,000)	32,250
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\$ 2,282,655

3. DEFERRED INCOME TAXES

Deferred income tax credits arise because the companies intend to claim depreciation for income tax purposes in excess of that charged to income and also from investment credits (U.S. subsidiary companies) which will be taken into income over the estimated life of the fixed assets involved. These credits have been reduced by the income tax applicable to inter-company profits in inventories. As these profits are realized the applicable tax will be charged to income.

4. CAPITAL STOCK

The company issued the following shares during the six months ended January 31, 1969:

- | | |
|-----|--|
| (a) | 55,080 shares for \$358,020 on conversion of debentures; |
| (b) | 75,000 shares for \$843,750 as partial consideration for the investment in a subsidiary; |
| (c) | 4,940 shares for \$24,700 on exercise of employee stock options. |

At January 31, 1969, 44,060 shares were reserved for the exercise of options granted or which may be granted under the Company's Employee Stock Option plan. There were outstanding under the plan options to purchase 40,760 shares, exercisable as to 21,760 shares at \$5.00 per share, as to 10,000 shares at \$15.75 per share and as to 9,000 shares at \$16.20 per share. The options are exercisable at various dates up to January 31, 1974.

Unissued shares have been reserved for issue upon the conversion of the 7½% convertible sinking fund debentures, Series A, and on exercise of employees' stock options.

5. DIVIDEND RESTRICTIONS

The trust indenture under which the debentures are issued contains certain provisions restricting the payment of dividends. At January 31, 1969, there was no portion of retained earnings available for the payment of dividends under the most stringent of these provisions.

6. CONTINGENT LIABILITY

There is a lawsuit against Almco Automotive Industries of Buffalo, Inc., in the amount of U.S. \$100,000 for damages resulting from an allegedly faulty product component. If this latter claim is successful the company will have a right of action against the supplier of the component. The actual liability, if any, is indeterminable at this time and no provision for loss has been made in the accounts.

AIMCO INDUSTRIES LIMITED and SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS (Unaudited)

For the Half Year Ended January 31, 1969

SOURCE OF FUNDS

Net Profit from Operations	\$ 262,477	
Add Funds not Requiring Cash Outlay:		
Depreciation provided	124,160	
Deferred tax adjustment	<u>349</u>	\$ 386,986
Proceeds from Issue of Shares		1,226,470
Addition to Long Term Debt		71,657
Deferred Finance Charges Reclassified as Current Assets		21,393
Working Capital of Business Acquired - Ralph Milrod Metal Products Limited		<u>690,974</u>
		\$ 2,397,480

APPLICATION OF FUNDS

Investment in Ralph Milrod Metal Products Limited	2,500,000	
Investment in Fixed Assets (Net)	555,923	
Reduction in Non-Current Portion of Long Term Debt	<u>378,728</u>	3,434,651
DECREASE IN WORKING CAPITAL		(1,037,171)
WORKING CAPITAL, JULY 31, 1968		<u>2,760,274</u>
WORKING CAPITAL, JANUARY 31, 1969		<u>\$ 1,723,103</u>

AIMCO INDUSTRIES LIMITED

and Subsidiary Companies

STATEMENT OF INTERIM EARNINGS (Unaudited)

for the
Half Year ended January 31, 1969
(with comparative figures for the
half year ended January 31, 1968)

	1969	1968
Sales	<u>\$5,539,044</u>	<u>\$5,268,175</u>
Cost and Operating Expenses	4,828,903	4,762,581
Depreciation	124,160	97,645
Interest on Long Term Debt	<u>84,504</u>	<u>24,029</u>
	<u>5,037,567</u>	<u>4,884,255</u>
Income before Income Taxes	501,477	383,920
Income Taxes	<u>239,000</u>	<u>181,302</u>
Consolidated Net Income (representing 40 cents per share* - 34 cents in 1968)	<u>262,477</u>	<u>\$ 202,618</u>
Add Net Income for the half-year of Ralph Milrod Metal Products Ltd.	<u>222,797</u>	
Combined Net Income (74 cents per share*)	<u>\$ 485,274</u>	

*Based on average number of shares of Aimco Industries Limited
outstanding during the half year.

10. Brief statement of company's chief development work during past year.	See Item 9															
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	<p>The names and addresses of the vendors of the Milrod shares are as follows:</p> <p>Ralph Milrod and 10 York Road, Sylvia Milrod Willowdale, Ontario.</p> <p>Louis S. Brody and 2603 Bathurst Street, Pearl Brody Toronto, Ontario.</p>															
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	<p>The consideration to be paid for the Milrod shares will be paid to the vendors as follows:</p> <table><tr><td>Ralph Milrod</td><td>375 shs</td><td>\$ 8,776.25</td></tr><tr><td>Sylvia Milrod</td><td>37,125</td><td>819,348.75</td></tr><tr><td>Louis S. Brody</td><td>375</td><td>8,776.25</td></tr><tr><td>Pearl Brody</td><td>37,125</td><td>819,348.75</td></tr><tr><td colspan="2"></td><td><u>75,000 shs \$1,656,250.00</u></td></tr></table>	Ralph Milrod	375 shs	\$ 8,776.25	Sylvia Milrod	37,125	819,348.75	Louis S. Brody	375	8,776.25	Pearl Brody	37,125	819,348.75			<u>75,000 shs \$1,656,250.00</u>
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		<u>75,000 shs \$1,656,250.00</u>														
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	<p>To the knowledge of the Company no shares are held in escrow or under a pooling agreement.</p> <p>Under the Milrod Agreement Mr. and Mrs. Milrod have agreed that they will not dispose of any of the 37,500 shares to be received by them except that they may be used as collateral for loans not exceeding 50% of the market price of the shares and that they may be disposed of as to 30% upon the expiration of one year, 30% upon the expiration of two years and the remainder upon the expiration of the three years from the date of receipt thereof. Mr. and Mrs. Brody have entered into a similar agreement as to the 37,500 shares to be received by them except that they may dispose of 50% of their shares after one year and the balance after two years. The vendors are not restricted from transferring shares among themselves or to family holding companies or trusts.</p>															
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	See item 13 above.															
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table><tr><td>Nathan Goodman, 61 Old Park Drive, Toronto, Ontario.</td><td>119,999</td></tr><tr><td>Irving Birrell Goodman, 204 Acton Avenue, Downsview, Ontario.</td><td>119,999</td></tr><tr><td>Carl Goodman, 33 Brookview Drive, Toronto, Ontario.</td><td>83,999</td></tr><tr><td>F. H. Deacon & Company Limited, 105 Adelaide Street West, Toronto, Ontario.</td><td>108,961</td></tr><tr><td>Bache & Co. 360 Bay Street, Toronto, Ontario.</td><td>43,700</td></tr></table> <p>Nathan Goodman and Irving Birrell Goodman hold \$650,000 of the Series A Debentures referred to in item 5.</p> <p>The Company does not know the names of the beneficial owners of the shares registered in the names of F. H. Deacon & Company Limited and Bache & Co. except that 66,000 of such shares are beneficially owned by Samuel Goodman, 35 Brookview Drive, Toronto, Ontario.</p>	Nathan Goodman, 61 Old Park Drive, Toronto, Ontario.	119,999	Irving Birrell Goodman, 204 Acton Avenue, Downsview, Ontario.	119,999	Carl Goodman, 33 Brookview Drive, Toronto, Ontario.	83,999	F. H. Deacon & Company Limited, 105 Adelaide Street West, Toronto, Ontario.	108,961	Bache & Co. 360 Bay Street, Toronto, Ontario.	43,700					
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16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	As indicated in item 15 the holdings of Messrs. Nathan Goodman, Irving Birrell Goodman, Carl Goodman and Samuel Goodman are large enough to materially affect control of the Company.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	N/A
18. Brief statement of any lawsuits pending or in process against company or its properties.	<p>In an action commenced in July 1967 in California by a subsidiary to recover the cost of goods sold (\$U.S.4,253) the defendants have counterclaimed for damages in the amount of \$U.S.100,000. The counterclaim is being defended. If the counterclaim is successful the Company and its subsidiary will under their product liability insurance have a cause of action against the insurers with whom they carry product liability insurance.</p> <p>The Company upon purchasing certain assets assumed liability in respect of an action commenced in the Supreme Court of Ontario by Dennis Smith on May 16, 1966 for damages in the amount of \$102,000 claimed by reason of an alleged breach of an oral contract to purchase shares of a company. This action is being defended.</p>
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts.

CERTIFICATE OF THE COMPANY

DATED

Jan 22, 1969

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"N. Goodman"

Nathan Goodman

CORPORATE
SEAL

"I.B. Goodman"

I.B. Goodman

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

